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FOREIGN SERVICE

FROM : HABANA

AUG 7

185

DESP. NO.

August 2, 1951

DATE

TO : THE DEPARTMENT OF STATE, WASHINGTON. - 1 Enc.

Air Pouch

PRIORITY

REF : Habana's 53 July 11, 1951 and 155 July 27, 1951

SUBJECT: POLICIES AND PROSPECTS OF SENATOR EDUARDO CHIBAS,
ORTODOXO CANDIDATE FOR THE PRESIDENCY OF CUBA

For Dept.
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During the course of a luncheon given by the Manager of the Cuban Esso Company on June 18, 1951, attended by prominent members of the American business community, the guest of honor, Senator CHIBAS, President of the Partido del Pueblo Cubano (Ortodoxo) and "Ortodoxo" candidate for the presidency in 1952, took occasion to outline his and his party's views and policies. Chargé d'Affaires Duwayne G. CLARK, who attended the luncheon, has covered Chibás' remarks in a memorandum which is enclosed.

Realizing that his listeners represented very large U.S. economic interests of great importance to the Cuban economy, Chibás was on his best behavior, impressing his listeners with his sincerity. He spoke well in outlining his views and seemed thoroughly convinced he would succeed PRIO as President of Cuba.

Avoiding the almost hysterical approach characteristic of his weekly radio broadcasts devoted to furious attacks against the Government, Chibás remained true to form in accusing the Prio Administration of complete irresponsibility and utter lack of moral scruple.

Chibás reiterated his well known views on the desirability of expropriating and nationalizing public utilities on the basis of adequate compensation, a process he admitted would probably be long drawn out. He recognized both the need for U.S. capital investment in Cuba and the fact that such investment was being discouraged as a result of the labor situation in Cuba.

Chibás' remarks of purely political significance dealt primarily with his long proclaimed policy of avoiding political and electoral pacts with other parties. It is a fact that up to the present time the Ortodoxos have avoided official pacts with other groups. If Chibás continues to have his way - and in view of the strictly personal nature of the party there is little reason to believe there will be any

1/ Eduardo Renato CHIBAS Ribas

ETCrain:rc
REPORTER(S)

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change in this policy - the Ortodoxos will go through the electoral campaign without allies and regardless of consequences. Chibás has had some success in attracting political figures and voters from other parties without becoming involved with those parties in official pacts. He hopes that with these and the independent vote, which he apparently feels will back him to the hilt, he will ride into power free of political alliances. In following through on this policy, Chibás may expect increasing opposition from his own followers who, as practical politicians, are well aware of the almost insurmountable difficulties facing any candidate who would achieve power without political allies 1/.

Should Chibás' stock rise, his policy of isolation may be expected to remain firm. Should it drop, pressure from his cohorts may force him to seek outside support. Maintenance of the present policy permits Chibás to proclaim throughout the length and breadth of the land that he remains true to his high principles, uncontaminated through any contact with those he constantly berates. On the other hand, should Chibás begin to lose ground he may, during later stages of the campaign, encounter reluctance on the part of other political groups to gamble their political fortunes on a doubtful candidate.

This does not mean that Chibás has no chance to achieve the presidency. On the basis of recent surveys, Chibás is the leading candidate. However, on this same basis he has lost a surprising amount of ground both to ex-President BATISTA 2/ and the PRC (A). In the Embassy's opinion, Chibás has lost much of his early lead 2/ and now finds himself struggling to remain abreast of Batista who seems to be gaining steadily in strength and prestige.

- 1/ Chibás was recently reported to have told persons near him that if 300,000 voters did not register under the Ortodoxo banner in the party reorganizations he would retire from the race.
- 2/ President of the PAU (Partido Accion Unitaria) and that party's presidential candidate.
- 3/ In a recent polemic between Chibás and Minister of Education SANCHEZ Arango, the former accused the latter of having stolen Ministry funds for the purchase of real estate in Guatemala. The case attracted nation-wide attention. However, at its culmination, Chibás was forced to admit he could not prove his charges. The affair hurt Chibás' cause and may eventually lead to his undoing.

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Chibás has, to a lesser extent, lost ground to the government PRC (A) which has not yet decided on a candidate. A struggle for power is now going on within the PRC (A) not only to decide the party leadership (and candidacy), but to maintain party unity now threatened by factional rivalry. At the moment, Senator and Minister of State Miguel SUAREZ Fernandez appears to enjoy the greatest popular following. One reason for this is - paradoxically - the fact that he does not have the support of President Prió. Suarez is a colorful figure and there are many who would like the PRC (A) to remain in power, but without the Prios. The final PRC (A) decision as to a candidate cannot be long delayed inasmuch as the party reorganization period required by the Constitution (Art. 102) commences the first Sunday in October (the 7th). Regardless of who wins the PRC (A) nomination (and there are many possibilities 1/) PRC (A) stock should rise as soon as its candidate is nominated - assuming the other party leaders fall into line 2/.

The main battle lines, therefore, consist of the government party on the one hand with at least two opposition candidates splitting the opposition vote on the other. One of these, the Ortodoxo, is endeavoring to win singlehandedly; the other (Batista's PAU) is seeking as many alliances as possible. This situation favors the government PRC (A) - assuming it does not split into rival groups - but does not give it complete assurance of victory.

Whatever the outcome, Chibás will not have the easy sailing he professes to believe in and, in the opinion of the reporting officer, could easily lose out altogether. However, he has had certain influence in forcing the government to appoint men of higher caliber to key positions (HEVIA, BOSCH, DIHIGO, CASERO, et cetera) than possibly would otherwise have been the case. Also, it is not impossible that he may win the elections. A look at his official policies is therefore in order.

Chibás is, first and foremost, a champion of honesty in government. His official motto is "Verguenza Contra Dinero" and he has promised to make a clean sweep 3/ of all dishonest

- 1/ Carlos HEVIA is the PRC (A) semi-official choice at the moment. Prime Minister LANCIS and Minister of Public Works CASERO are also considered as possibilities. Perennial candidates such as SANCHEZ Arango, GANS, de LEON, et cetera, appear currently to have little chance of nomination.
- 2/ Suarez Fernandez may bolt the PRC, if not nominated, to join forces with opposition groups other than the Ortodoxos.
- 3/ Both the broom and the guillotine are party emblems. The latter seems to have been discontinued in recent weeks as contrary to the party's best interests.

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politicians 1/, jailing them and returning all ill-gotten gains to the Treasury. While there is no particular reason to believe he would not do as he says, it is probable his policy would be tempered to some extent should he become President. It is felt he would make a real effort to instill honesty in government.

In his domestic policies 2/ Chibás stands for the "cubanization" of all economic activity 2/, "emancipating Cuba from foreign imperialism"; gradual nationalization, based on adequate compensation, of all public utilities and enterprises of a monopolistic nature; "free trade" based on strict controls of production and exports (but, apparently, not imports); forced distribution of arable land, the taxing of unexploited estates; elimination of the "feudal-colonial" system; the widespread use of agricultural machinery, and the development of irrigation projects and farmers' cooperatives.

Chibás would develop a government-controlled social security system providing the citizenry with adequate protection against the economic risks of old age, sickness, unemployment and death, with special protection for women and orphans. He would place the tax structure on a sound, scientific and just basis.

In the international field, Chibás has set forth the following policies:

1. Full collaboration with all international bodies that condemn wars of aggression.
2. Defense of a policy of peace and maintenance of cultural and commercial ties with other countries.
3. Recognition of a new trend in international law in the sense that concepts of sovereignty and independence do not exclude collaboration towards higher forms of world organization.
4. Repudiation of the veto power in the UN - SC.

1/ Which covers a fairly large field.

2/ See Chibás' "Doctrina del Partido Ortodoxo" transmitted with Despach 53 of July 11, 1951

3/ Placing it to the greatest possible extent in the hands of Cubans.

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5. Defense of the Inter-American regional system and hemispheric solidarity on a basis of equality 1/.
6. Free access on terms of equality to world trade and raw materials.
7. Resolute opposition to all tyrants, "from STALIN to TRUJILLO and from FRANCO TO PERON".
8. Enthusiastic and democratic participation in the third world war, the prelude to which is now developing in Korea. "May the Cubans participate in this war against communist totalitarianism with the conviction that in the end victory will be achieved".
9. Assurance of normal, sufficient and stable economic relations with the United States of America.
10. Full compliance with Cuba's obligations as a member of the O.A.S. and as a signatory to the Charter of the United Nations. "Cuba's destiny is with the democracies of the world".

The official Ortodoxo platform and policy statements issued by Chibás place him definitely on the side of the democracies and in open and "enthusiastic" opposition to communist totalitarianism. Chibás is probably completely sincere in his anti-communist statements. That the communists may realize this is indicated by recent communist editorials attacking him after a long period during which both communists and Ortodoxos refrained from attacking the other. This does not mean the communists would not like to see Chibás win the presidency. Reportedly, they feel that Cuba under Chibás would rapidly be reduced to conditions of chaos under which they could do their most effective work.

Despite Chibás' opposition to communism, he has no objection to receiving votes that formerly went to the communists. This in itself is acceptable and even desirable since it transfers strength from communist to democratic parties. The infiltration of communists into the Ortodoxo leadership is another matter. Such infiltration has taken place at the lower levels and certain of the high Ortodoxo leaders, notably Congressman PARDO Llada, seem to be uncomfortably close to the communists. While this is a situation which must be watched, the Embassy expects that Cuba would continue in the democratic camp were Chibás elected. Much of the current tolerance is probably due to the fact that Cuba

1/ Including equal standards of living

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is in a pre-election period and that under the multi-party system the communist vote could, under certain conditions, be decisive despite the fact the communists could not possibly elect a candidate of their own. This affects all the presidential aspirants and, as an example, explains the government's weakness on the troops for Korea issue.

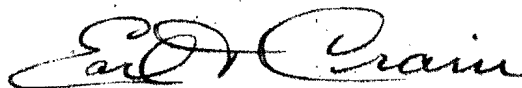
CONCLUSION

As matters now stand, Chibás' chances to obtain the presidency are not nearly so good as he seems to feel or as past surveys have indicated. Either Batista or the government PRC (A) candidate would appear to have at least as good a chance as Chibás. Should he nevertheless attain the presidency, Chibás would undoubtedly cooperate with the United States, the O.A.S. and the U.N. in the international field. His domestic policies would probably tend to run counter to U.S. economic interests from the point of view of nationalization of certain industries. On the other hand, economic conditions in general might be improved should he succeed in carrying out his stated intention of bringing honesty into government and discipline into the present unsatisfactory labor situation.

There is some danger that despite his protestations against Trujillo, Perón, et al, Chibás might tend towards dictatorship in his own right. This could start with the imprisonment of those accused of grafting government funds (a course to which Chibás is fully committed) and the establishment of a system which could easily get out of hand.

A final consideration is the possibility that Chibás may be assassinated. He has stepped on many toes and in the light of his own words would step on many more were he elected. While most assassination rumors can be dismissed, there is always a possibility that someone may be in earnest, especially considering the large number of persons who have been assured of imprisonment and loss of properties in the event of Chibás' election.

For the Charge d'Affaires ad interim



Earl T. Crain
First Secretary of Embassy

Enclosure: *all*
✓ Memorandum

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C O P Y

June 18, 1951

MEMORANDUM

Mr. Elbrick:
Mr. Crain:
Mr. Hoyt:

I had lunch today at the Cuban Esso Company at the invitation of Don DUNAWAY. The main feature of the luncheon was Eddie CHIBAS and several of his supporters. In addition to Mr. Dunaway there were present: Charlie LEE of the Esso Company, Prescott CARTER of the City Bank, Scott THOMPSON of the Cement Company, Alejandro HERRERA ARANGO of the Cuban Association of Manufacturers, and Juan SABATES of the Cuban Chamber of Commerce.

Chibás seemed to realize quite well that he had been brought in for a bit of a going over and when Don Dunaway explained that the Americans present were interested in his political philosophy, particularly as regards future commercial relations between Cuba and the United States, he (Chibás) took the bait immediately. He prefaced his remarks by stating that he could readily appreciate the concern of American business interests as he was from one week to another accused by the PRIO Government of being a radical socialist and then an ultraconservative, a Communist, pro-American, and a slave of Wall Street. He did not believe that he was any of these things and laid claim to the fact that the Ortodoxo Party of Cuba is the only political party that has any sort of a political program that has been consistent in its character over a period of years. He mentioned that this program was now being printed in booklet form and would be distributed within the near future. He promised copies to the people at the luncheon.

Mr. Dunaway indicated some interest as to how the Ortodoxo Party could conduct anything approaching an election campaign in competition with the well financed campaign to be expected from the PRIO Government and Chibás explained that while the amount of money available to the Ortodoxo Party is modest, it is being utilized to a maximum degree. In addition to a number of purely gratuitous donations which are made from time to time, it appears that all members of the Ortodoxo Party are subject to a monthly levy. Government employees pay from 1 to 5 pesos every 3 months into the party treasury and a much larger assessment is made upon Congressmen and Senators. I understood him to say that the levy made on an Ortodoxo Congressman amounts to \$250.00 per month.

Chibás

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Chibás spent considerable time in discussing the alleged honesty of Pepin BOSCH, whom he considers without question to be a super-hypocrite. He said that Bosch upon entering office had found certain highly irregular things which he had done nothing to correct or rectify as in so doing he might have embarrassed the Prío regime. Reportedly Bosch attempted to pay back certain funds which had been stolen from several of the pension accounts but in doing this he simply falsified his entries in other accounts. Chibás damned the entire Prío regime as superrobbers, protagonists, irresponsible politicians who have no regard for the welfare of the country and who are interested only in getting what they can now and abandoning the country when and if necessary.

Chibás also spent considerable time in discussing, in reply to a rather pointed question, the policy of his party in regard to the expropriation of public utilities. He stated that, in his opinion, public ownership of such utilities, including railroads, street car lines, power companies and telephone systems, is a world-wide trend and that Cuba will eventually take the measures necessary to accomplish this end. He emphasized that he is thinking in terms not of confiscation but of expropriation with proper compensation. He said that he would be the first one to admit that at the present time the Government has no one capable of operating and administering these public service properties. He suggested that it might take as long as from 4 to 12 years to realize this public ownership and that the rapidity of the development would depend to a large degree upon the development of a sense of social responsibility on the part not only of the Government but also on the part of the public and the development of experienced administrative personnel. He stated several times that public ownership is an aspiration of the Ortodoxo Party but that it would not be attempted until he and his lieutenants are fully convinced that their efforts will be attended with success.

Chibás remarked that during the past few months he has been offered political alliances and political help by GMAU, by CASTELLANOS, by the Liberal Party, and several other Cuban political interests. In every single instance he has expressed gratitude for this desire but has refused to accept such assistance, knowing full well that by so doing he would have prejudiced himself and his party and the independent action which he apparently proposes to exercise when he becomes President next year. Chibás repeatedly used the expression "when I become President" and it was not used in a conditional sense. He stated that under his administration it would make no difference who was caught robbing the Government - Cabinet Minister or anyone else down to the very lowest level. He said that he was determined to make examples of people and that anyone caught stealing from the Government would be promptly pitched into jail. He believes that the most important single problem for Cuba is the development of a sense of public morality.

He

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He touched very briefly upon Cuba's need for foreign investments and technical assistance. He said there was no question regarding this need and that he regretted that during the past few years a considerable volume of investment capital and technical assistance had gone into other Latin American countries and precious little, if any, into Cuba. He said that he recognized that one of the basic elements discouraging investment capital in Cuba and the development of Cuba's resources is the present labor situation. In his judgment the only solution of this problem is to create a disciplined labor administration which will be fair to employers and employees and which will be subject to labor legislation and not to the expediency of the moment and political pressure, as is the case at present.

This is the first time I have ever had an opportunity to closely observe Chibás and I was certainly very favorably impressed with his intelligence and his sincerity. I saw no indications of his either being a crackpot or a demagog. He may easily be too much of an idealist but if by any chance he is elected the Cuban President next year, I should say that he will have an awfully good try at an honest and objective administration, with no personal benefit in mind but in the hope of being able to do something for his country. Chibás is an objective, educated man and it was pretty obvious to me that one reason for his wide appeal throughout the country to people from all levels of life is his sincerity and his lack of what might be described as "front".

D. G. Clark

P.S. June 19.

In talking with Mr. Dunaway this morning he informed me that at about 5 p.m. yesterday the Cuban equivalent of the FBI sent a representative to the office of the Standard Oil Company. He stated that they were aware of the fact that Chibás and some of his supporters, plus a number of American businessmen, had had lunch there that day and that a protracted discussion had followed. The Cuban stated that he had been informed that this discussion had resulted in an agreement by the American interests to support Chibás and his presidential campaign next year. I understand that the representative was passed along to Mr. Dunaway who assured him that the meeting had resulted in no such agreement.

DGClark:eam
Copy to Mr. Wellman

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